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## United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

June 12, 2001

Mr. Daniel Goldin  
Administrator  
National Aeronautics and Space Administration  
300 E Street, SW  
Washington, DC 20546

Dear Mr. Goldin:

Thank you for your response to my concerns about training programs for acquisition personnel at the National Aeronautics and Space Administration (NASA). I appreciate the comprehensiveness of your response, which has been read in its entirety. I am pleased and relieved to see that NASA has adopted a positive and aggressive program of training for NASA contracting personnel. Also, I am glad that NASA has been monitoring actual participation by the acquisition workforce in these programs.

Reliance on the Defense Acquisition University's training programs seems an appropriate approach, particularly as its civilian counterpart, the Federal Acquisition Institute, has not achieved the same level of implementation. However, I continue to be concerned at the de-emphasis on small business programs. In particular:

1. None of the course descriptions or objectives mentions knowledge of small business programs as a part of the curriculum.
2. Of the nine different Procurement Awards, intended to provide incentives to reward good performance among contracting personnel, none is specifically devoted to success in small business programs. None of the nine awards even mentions small business as one of the deciding criteria in making the awards.
3. The Rotational Assignment with Industry Program, which temporarily places NASA contracting personnel with private sector firms to gain experience in management, customer service, marketing and other skills, appears to be an exclusive preserve of large business. I find it hard to believe that no small business can provide private sector experience of comparable quality. For many small businesses, their customer service orientation is central to their competitiveness against larger well-financed firms. Moreover, managing multiple tasks in small business is even more challenging due to the lack of corporate staffs dedicated to each individual function. Understanding the unique vantage point of a small business would be useful experience to a participating employee upon returning to NASA at the end of the assignment.

Thus, I would strongly encourage you to continue to develop these acquisition training practices to strengthen knowledge and experience in small business programs. In every agency that has a strong small business program, the agency's commitment to small business is declared from the highest levels. It is implemented throughout the agency's day-to-day activities. Merely stating a commitment to small business is better than nothing at all, but agency personnel must be continuously reminded of these statutory requirements to avoid losing sight of them.

Your "Procurement Personnel Training Program Action Plan" submitted as part of the same letter is a good step forward in this direction. I commend the actions NASA is taking to put HUBZone training on the agenda for all acquisition staff, and I appreciate the monthly reports you have submitted on this matter. The most valuable facet of your Action Plan, however, is the development of a training program module on all small business programs. This potentially will fill in the gaps in the coursework to ensure that small business receives adequate attention. I request a commitment from you to make this training module a periodically recurring event. Once it is developed, it should be used again and again to ensure that new staff are trained and that new requirements are communicated to incumbent staff.

The only specific concern I have with the Action Plan is with the last item, of collecting metrics from the procurement database on NASA small business achievements and publicizing them more widely. Greater communication of NASA small business achievements can help emphasize the agency's top-level commitment to small business, which would be good. However, this can be undercut by the manner in which NASA presents its small business achievements, as it did in your letter. You note that NASA increased "prime and subcontract awards" to small business from \$2.2 billion to \$3.5 billion over the period Fiscal 1992-2000. I object strongly to mixing prime and subcontract dollars together as if they were interchangeable.

My goal as Ranking Member of the Senate Small Business Committee is to increase prime contracting opportunities for small business. This is not to say that subcontracts have no value, which would be false. Instead, I insist that prime contracts deliver greater value to small business in terms of interaction with Government contracting staff, development of past-performance history, and prompt payment. Subcontracts have their own value to small business, but they are not the same, and it is invalid to add prime and subcontract dollars together as if they were. NASA's practice of adding these numbers together, of mixing apples and oranges, should stop.

Of course, I am aware that the nature of NASA's procurement needs dictates that most of NASA's small business opportunity will occur at the subcontract level. It is important that the Congress understand this, to be able to make proper oversight and legislative decisions. It is also important for small businesses to understand this, so they can target their efforts where the opportunity lies. Finally, it is important that large businesses understand this, so they know of

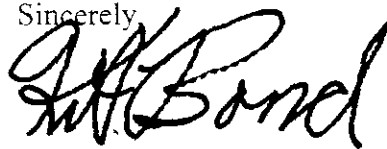
The Honorable Daniel Goldin  
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their obligations in carrying through their subcontracting plans. NASA's habit of aggregating these numbers together tends to obscure rather than clarify this reality. Again, it should stop.

In your response letter, please address these three points: (1) what actions can be taken to raise the profile of small business issues in training, awards, and rotational work assignments; (2) whether the small business training module will be made a recurring part of the curriculum; and (3) what NASA will do to revise its publicity efforts under the Action Plan to clarify the difference between prime and subcontract achievements. Because your May 15th report on HUBZone training shows practical completion of the HUBZone training effort, no further monthly reports will be required; thank you for following through on that matter. I continue to have concerns about NASA's Consolidated Contracting Initiative and will address those under separate cover.

A response to this letter by July 20, 2001 would be appreciated. If you have questions about this letter, please contact Cordell Smith of my Senate Small Business Committee staff on (202)224- .

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bond", written in a cursive style.

Christopher S. Bond  
Ranking Member